

Strategic Decision-Making in Uncertain Times

Navigating the challenges of 2020 was tough for every organization, and planning for 2021 is proving to be just as difficult. Setting goals and making strategic decisions amid uncertainty and ambiguity is difficult for any leader. Some industries have experienced unprecedented rapid growth due to the global pandemic, and others have come screeching to a halt. Thoughtful organizational strategy and decision making will be the key to surviving and thriving in a rapidly changing economic landscape. So how can leaders approach decision-making to create success in the year to come? Learn how thinking like a futurist and taking a flexible approach to planning can help any leader shape their strategy even in uncertain times.

Think like a Futurist

Humans are different from other species because of their ability to visualize the future. In uncertain times, thinking like a futurist can improve decision making and organizational strategy. A [futurist](#) is someone who studies and researches probabilities for the future empirically. They forecast, imagine, and create the future using a combination of information-seeking, intuition, consultation, and planning. To make decisions for the next 12 months and beyond, leaders can use these same techniques.

Gather Data

Now is the time to gather as much information as you can from as many sources as possible. Leaders should reach out



to partners, clients, researchers, even competitors when appropriate. Talk to your team regularly and get their feedback and ideas. [Futurist Paul Higgins](#) recommends that leaders "Get as many perspectives on looking at what might happen as possible. Including a diversity of gender, cultural background, age, training, etc. We all suffer from our own cognitive blind spots and the best way to avoid those is to get other people's perspectives." Be aware of your organization's blind spots and create processes to challenge unconscious biases.

Take Time to Imagine

CEOs and managers are often drivers of action. However, futurists recommend taking some time to imagine all the possibilities. Avoid jumping into action as soon as an idea comes up. Immediate action shuts down further examination of ideas and opportunities and often avoids thinking about consequences that will come down the line. Einstein once said, "Imagination is more important than knowledge."

Knowledge is limited." Strategic planning requires an understanding of future potential and possibility, as well as the ability to imagine things that have not happened yet. People often visualize the future in terms of the past, which isn't always helpful during rapid change and uncertainty. It is not uncommon for leaders to become caught up in solely analyzing evidence and data without taking time to imagine unforeseen events to come.



Futurists are trained to imagine distant realities that others might find unlikely. They take time to think about possible developments and outcomes. This requires openness to ideas that might seem radical or absurd and a desire to embrace creative thinking. Imagination and creativity are like a muscle that must be exercised regularly to keep working, especially when leaders are searching for ideas and solutions to new or complex problems. To spark creative thought, Kathi Vian, a fellow at the Institute for the Future in Palo Alto, CA, recommends asking questions to create a story about the far-off future. What does "a day in the life" look like at this point in the future? What structures

and concepts are needed to support this future? What could make these scenarios sustainable or unsustainable? How can these scenarios be flipped—if this is a perfect future, what could ruin it? If it is a negative future—what could improve it? These mental exercises can improve the ability to visualize and predict the future as well as imagine solutions to pressing problems. [Crestcom subject matter expert and Futurist, Thomas Frey](#), believes that "eureka moments are what make humans such an interesting species, constantly moving forward, letting our amazing mind drive us to new direction."

Use a "Time-Cone", not a Timeline

Leadership teams often get caught in a cycle of addressing long term risks with short-term solutions. However, when planning in times of uncertainty, deeper questions are needed. Instead of focusing on tactical responses to arbitrary points of time on a straight line, try to simultaneously think about both short-term and long-term.

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[Quantitative Futurist Amy Webb uses a time cone rather than a timeline.](#) For her foresight projects, she builds "a cone with four distinct categories: (1) tactics, (2) strategy, (3) vision, and (4) systems-level evolution." She recommends identifying highly probable events supported by evidence and then working outward. One edge of the cone is made by the linear timeline, measuring chunks of time from 12 months to 10 or more years. The other edge of the cone represents data and evidence, of which there will be less certainty as the cone expands towards the future.

She then divides the cone into four sections. Each section is a strategic approach that encompasses the section before until you reach systems-level evolution. The first section of the cone looks at tactical responses, which are immediate actions based on the current information in the near future. However, those tactics must feed into the second section, which is strategy. The strategic section will have less certainty because it looks further out into the future. That strategy then builds up to the third section of the cone, which is vision. Organizational vision will be continually recalibrated because it dives even further into the future, where there is less certainty of data and outcomes. However, the vision must fit into the last category, which is systems-level evolution. This section of the cone looks at possible disruptions in the industry, changes in market forces, and the development of technology. This section spans over the longest expanse of time because it is difficult to predict the probability and timing of these changes.

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Unlike the standard linear timeline method that includes rigid deadlines, check-in dates, and a firm start and stop date, the cone moves continuously through time. As you gain information and evidence and make progress on actions and goals, the 'cone's beginning is always set to the present time. This allows the organization to continually respond to external and internal developments in a flexible way. Using the time-cone facilitates thinking exponentially and planning ongoing incremental actions to shape the future.



Source: Amy Webb, Future Today Institute

Use Scenario Planning

Another useful tool for strategic decision-making is scenario planning. In environments that are unstable and filled with critical uncertainties like those being faced by businesses during COVID-19, scenario planning is an ideal method to use as a framework for decision-making. The process of scenario planning pushes leaders to think beyond what might ordinarily be considered. Scenario planning combines creative and analytical thinking to create strategies for multiple possible outcomes by identifying potential challenges and developing responses and solutions.

Here are ten simple steps to implement scenario planning for any organization.

- 1. Identify the challenge or question you want to address.** Perhaps the organization must decide whether to pay a large fee to register for an in-person trade show scheduled for late 2021.
- 2. Engage a diverse group of people to assist with scenario planning.** Leaders can involve both C-suite and front-line workers. Depending on the question, some organizations may form customer focus groups. The goal.
- 3. Brainstorm internal and external forces that could impact decisions related to the issue in question.** Using the previous example, a team is considering attending a trade show in the upcoming year. In this case, some forces to consider might be unexpected COVID-19 travel restrictions. Clients and employees might be reluctant to attend in-person events. The trade show might have strict cancellation policies that offer no refunds. In this phase, think of as many forces as possible without worrying about how likely they may be.
- 4. Categorize these forces.** Organize the brainstorming ideas into categories and eliminate any duplicate ideas. If considering the trade show example, these forces could be categorized into government restrictions, stakeholder concerns, and revenue concerns.
- 5. Once you determine your categories, analyze them for any scenarios that have pre-determined outcomes.** For example, suppose the government restricts business travel during the trade show dates. In that case, it is pre-determined that the travel plans and participation in a trade show would be canceled, possibly resulting in penalty fees. For the purposes of scenario planning, the

focus should be on the forces that do not have pre-determined outcomes, so this eliminates that category from further analysis.

- 6. Next, analyze the impact of the identified forces in relation to the likelihood of that situation occurring.** Welcome differing opinions about how to categorize each potential force and its impact on the organization, encouraging discussion until a consensus is met.
- 7. Next, create a full scenario around each external force.** Paint the story, but keep it logical, plausible, and relevant to the issue at hand.
- 8. Then, discuss what actions would be best in each scenario.** If some clients were afraid to travel to the trade show, could the organization leverage a simultaneous virtual presence? If so, what would that look like?
- 9. Continue identifying robust strategies that are likely to succeed and compare to those that are less likely to improve the situation at hand.**
- 10. Use these possible scenarios to make an informed and strategic decision.**



Common Barriers to Decision-Making

No matter the approach used, there are some common barriers to effective decision-making. Effective decision-making requires an awareness of these challenges to overcome them.

Cognitive Bias

Decision-making is a cognitive activity. As individuals think about problems and solutions, their individual biases will influence their ideas and their ability to accept other people's opinions. There are four common types of bias that can affect overall judgment.

1. **Confirmation Bias:** This bias happens when decision-makers seek out only evidence that confirms their current beliefs. This can cause them to overlook or discount evidence that supports different opinions.
2. **Anchoring:** There is a human tendency to rely too heavily on the first piece of information offered in the decision-making process. This can limit perspective and possible solutions because every judgment is based on just one point of data.
3. **Halo Effect:** The halo effect refers to the tendency to allow a positive impression of a person, organization, or brand in one area to influence opinions in other areas. For example, research shows that based on sight alone, attractive people are more likely to be perceived as good or honest, while unattractive people are viewed as sneaky or untrustworthy.
4. **Overconfidence:** Leaders can be susceptible to this ego-based bias, believing they are certain to succeed due to their abilities or excellent judgment. This can prevent them from seeking outside opinions and considering possible negative outcomes.



Group Dynamics

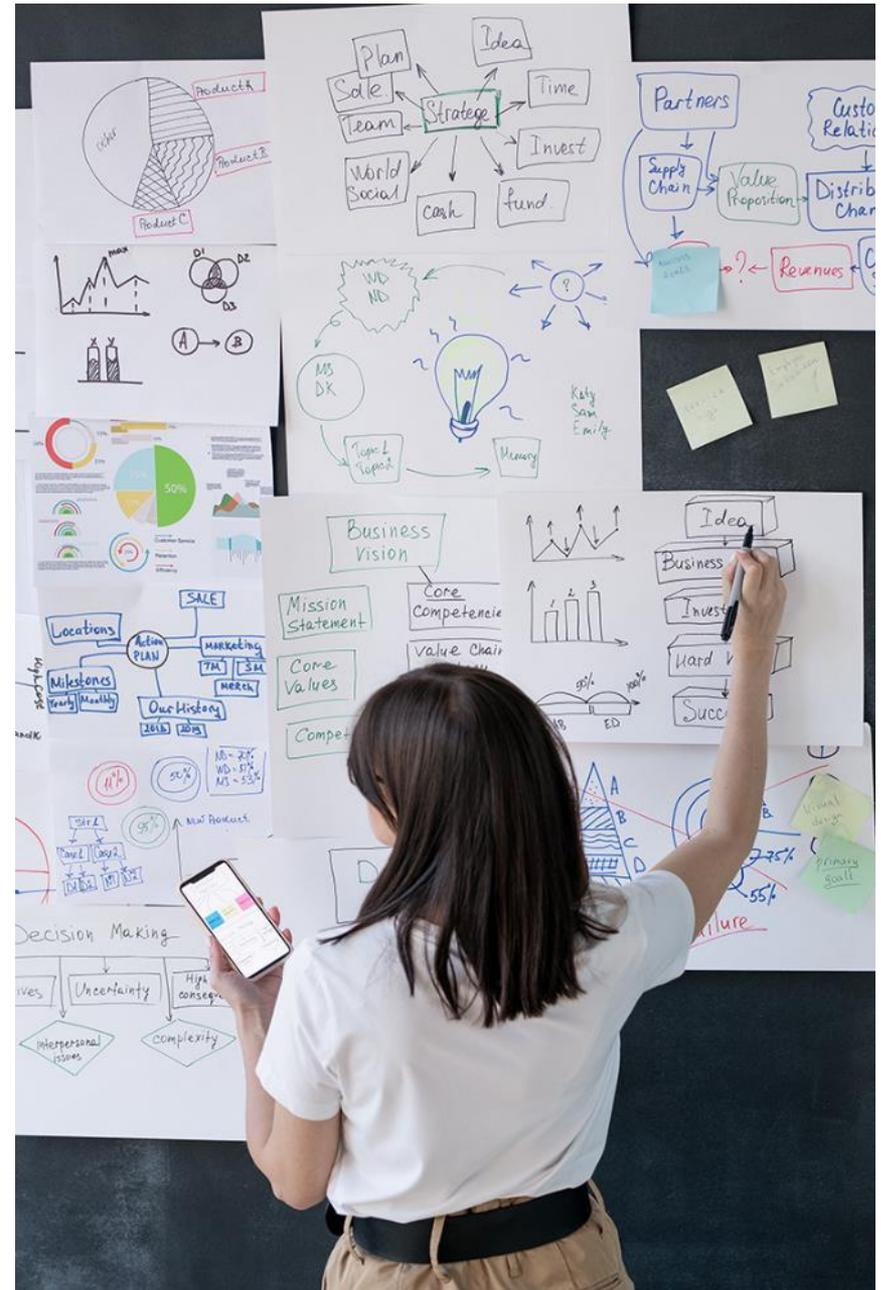
Interpersonal dynamics on a decision-making team can make or break a strategy. When making strategic decisions and solving complex problems, it is vital to get information from multiple sources and seek diverse opinions. However, group decision-making is not without challenges. Leaders should be aware of two common issues when making decisions in a group.

1. **Conflict:** While conflicting ideas and views are healthy in strategy sessions, it can sometimes impede progress if taken too far. If a dominant group member is taking over discussions or being overly argumentative, other group members may shy away from contributing to the debate. If the group has defined subgroups, sometimes there can be a feeling of competition rather than cohesion. Keep groups focused on the ultimate goal and encourage respectful discussions at all times.
2. **Groupthink:** One of the most common inhibitors to group decisions is the phenomenon of groupthink. When groups work together over long periods, it is common for

for individuals to share similar opinions based on homogenous information. Over time this creates group conformity that stifles differing opinions and approaches. As this conformity strengthens, it becomes less likely that individuals would express an opposing view for fear of disrupting the group. Leaders should be wary of unanimous agreement and unquestioned solutions. One way to overcome this is to assign a "devil's advocate" to question ideas and challenge the team. Another way is to gather opinions independently, such as having group members submit ideas anonymously.

Embrace Continuous Learning

The path ahead is not set in stone for any organization. As leaders determine their best options for navigating the challenges of an uncertain future, there are many ways to approach making strategic decisions. No organization can afford to assume what worked last year will work in the next. Successful leaders will understand that this is the time for continuous learning and increased flexibility. Organizations that embrace learning the lessons of this time and seek new information will be better positioned to succeed.



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